Cable
Text:

UNCLAS   ABU DHABI 00160

SIPDIS
CXABU:
    ACTION: ECON
    INFO: DAO MEPI USLO FCS P/M AMB DCM POL

DISSEMINATION: ECON
CHARGE: PROG

APPROVED: AMB:MSISON
DRAFTED: ECON:OJOHN
CLEARED: FCS:MO'BRIEN, CGD:MCARVER

VZCZCADI511
PP RUEHC RUEHZM
DE RUEHAD #0160 0101139
ZNR UUUUU ZZH
P 101139Z JAN 05
FM AMEMBASSY ABU DHABI
TO RUEHC/SECSTATE WASHDC PRIORITY 7628
INFO RUEHZM/GULF COOPERATION COUNCIL COLLECTIVE

UNCLAS ABU DHABI 000160

SIPDIS

SENSITIVE

STATE FOR NEA/ARP, NEA/RA, EB/OMA
STATE PASS USTR FOR BELL

E.O. 12958: N/A
TAGS: ECON ETRD ELAB ETTC TC
SUBJECT: DUBAI CUSTOMS REENGINEERS FOR UPCOMING FTA

REF: DUBAI 4362

¶1. This cable is a joint Abu Dhabi - Dubai message.

¶2. (SBU) Summary: The UAE press reported this week on three
recent events that are relevant for upcoming planned U.S. -
UAE FTA negotiations. Dubai customs is in the middle of
multi-million dollar program to upgrade its customs and
document processing system in response to globalization and
free trade agreements. In a separate event, the Ministry of
Labor hosted a workshop on compliance with International
Labor Organization standards (an issue of concern in upcoming
FTA negotiations). Finally, Dubai Ports International signed
a MOU with the Abu Dhabi Ports Authority to develop a
strategy to manage Abu Dhabi's Port Zayed, which will
arguably improve the UAE's ability to take advantage of
increased regional economic integration and freer trade. End
Summary.

¶3. (U) The UAE press reported that Dubai Customs' ongoing
reform and modernization program would give Dubai a
competitive administrative advantage in facing globalization
and free trade agreements with the U.S. and the EU. Dubai
Customs launched a multi-million dollar program to upgrade
its customs and document processing system. The Director
General of Dubai Customs said that his organization is
developing a new business model and a sophisticated IT system
in response to the "strategic drivers" of globalization and
free trade agreements. According to FCS Abu Dhabi, Dubai
Customs has been aggressively seeking comprehensive software
solutions.

¶4. (SBU) Dubai will be reporting septel the results of an
Arab Labor Organization workshop that the UAE is hosting in
Dubai. According to MoL U/S Khalid Al-Khazraji, the workshop

is geared to training labor inspectors and legal advisors to implement ILO standards. The UAE understands that the USG requires its FTA partners to enforce their own labor laws and expects that these laws will be consistent with international standards, as defined by the ILO. The UAE has told us that they intend that their revised labor laws will be fully ILO compliant. This workshop also indicates that the UAE intends to continue enforcing the labor laws it already has.

¶5. (U) In a positive sign of cooperation, the Abu Dhabi Seaport Authority signed a memorandum with Dubai Ports International (a wholly owned subsidiary of the government owned Dubai Ports, Customs, and Free Zone Corporation, which manages a number of ports internationally and is the world's sixth largest port management firm) to develop a joint strategy to manage Abu Dhabi's Port Zayed. The goal is to "expand commercial opportunities at Port Zayed" and to enable the "UAE to further compete at the regional and international level." (Note: Dubai Ports International recently bought the overseas port management operations of American-based CSX. End Note.)

¶6. (SBU) Comment: The UAE continues to take steps to prepare for an eventual FTA with the U.S. Upgrades in Dubai customs and increased inter-emirate cooperation are also welcome from a non-proliferation point of view. According to Federal Customs Authority Chairman Mohammed Al-Mehairi, these announcements presage a welcome move toward better inter-emirate coordination and we should expect to see more over the next year. Historically, there has been more competition than cooperation among the ports and customs departments of the individual emirates. End Comment.
SISON